

26 February 1973

MEMORANDUM FOR: CIA Management Committee

SUBJECT : CIA Management System

1. This memorandum will recapitulate CIA's current and planned development of a management system, comprising the setting of objectives and evaluation of effectiveness.

2. Objectives: Director's Objectives have been issued to the Deputies (Attachment A). These establish, to the extent feasible in terms subject to measurement, the major achievements the Director expects of the Deputies. Authority and responsibility are delegated to Deputies to achieve these objectives within the time frames stated. Deputies are expected to seek the prior approval of the Director for implementing decisions only when these are of major significance or special sensitivity. Deputies will supplement the Director's Objectives with additional Deputies' Objectives of lesser priority reflecting ongoing responsibilities of the Directorates. Drafts of the Deputies' Objectives have been submitted and are being reviewed by the Executive Secretary to ensure that they are in terms subject to measurement of achievement. These will be submitted to the Director for his approval.

3. Evaluations: Evaluation systems to some extent exist and to some extent must be established within the Directorates to measure the degree of accomplishment of the Director's and Deputy Directors' Objectives. These evaluation systems will provide for systematic evaluation by line managers of the effectiveness of their programs, plus independent review at the Deputy Director and Director level. These evaluation systems must be translatable into comparative indicators of achievement or nonachievement of Objectives by units engaged in dissimilar as well as similar activity.

4. Reporting: Deputies will keep the Director currently informed of overall progress or problems relating to achievement of the Director's

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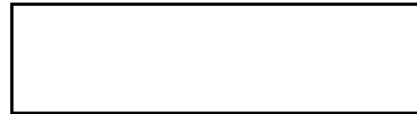
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and the Deputies' Objectives. In addition, an Annual Report will be written by each appropriate unit of the Agency. It will be structured upon the Director's and Deputy Directors' Objectives and make evaluations of the degree of achievement of each of those Objectives. In addition, the Annual Report may discuss other events which occurred within the area of activity of the unit concerned.

5. This system is in its first year. Corporate and other Government agency experience suggests that a minimum of three years is generally required until such a system can be appropriately refined so as to become effective. At this stage, therefore, it contains weaknesses and imperfections. All levels of management are expected to work to remedy these to produce an effective CIA Management System.



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W. E. Colby
Executive Secretary
CIA Management Committee

Approved:

OT meeting 28 Feb 73
Director of Central Intelligence



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